

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND REVENUE
APPROPRIATIONS SUBCOMMITTEE**

Room W215 Senate Office Building, State Capitol Complex

February 10, 2010

Members Present: Sen. Ralph Okerlund, Co-Chairman
Rep. Sheryl Allen, Co-Chairman
Sen. Gene Davis
Sen. Jerry Stevenson
Rep. Jackie Biskupski
Rep. Chris Herrod
Rep. Christine Johnson
Rep. Todd Kiser

Members Absent: Rep. Julie Fisher

Staff Present: Dr. Andrea Wilko, Chief Economist
Dr. Thomas Young, Economist
Becky Lawyer, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Okerlund opened the meeting at 2:06 p.m.

MOTION: moved to approve the minutes of Monday, February 8, 2010. The motion passed unanimously with Sen. Davis, Rep. Biskupski and Rep. Herrod absent for the vote.

Dr. Andrea Wilko explained the packet of handouts. Pages 1-5 are base budget recommendations for the Department of Community and Culture, Economic Development, restricted revenue, USTAR, etc. These recommendations would simply be a ratification of what was previously done by this body. Questions from the committee were discussed.

MOTION: Rep. Allen moved to approve the base budgets for the Department of Community and Culture, the Governor's Office of Economic Development, USTAR, Tax Commission and Restricted Revenue listed on pages 1-5 of the handout. The motion passed unanimously with Sen. Davis, Rep. Biskupski and Rep. Herrod absent for the vote.

Dr. Wilko explained dedicated credits and restricted fund appropriations listed on page 6 of the handout, for FY2010 and FY2011. Questions from the committee were discussed.

MOTION: Rep. Allen moved to approve the dedicated credits and restricted fund appropriations listed on page 6 of the handout, for both FY2010 and FY2011. The motion

passed unanimously with Sen. Davis, Rep. Biskupski and Rep. Herrod absent for the vote.

Dr. Wilko explained the motion to approve the intent language identified on pages 7-10 of the handout. Questions from the committee were discussed.

MOTION: Rep. Kiser moved to approve the intent language identified on pages 7-10 of the handout. The motion passed unanimously with Sen. Davis and Rep. Herrod absent for the vote

MOTION: Rep. Johnson moved that the Executive Appropriations Committee consider appropriating the \$6 million in FY11 currently earmarked for the Tourism Marketing Performance Fund. The motion passed unanimously with Sen. Davis and Rep. Herrod absent for the vote.

Dr. Wilko explained the motion to approve the Federal Funds for the Department of Community and Culture, Tax Commission and the Governor's Office of Economic Development. Questions from the committee were discussed.

MOTION: Rep. Allen moved to approve the Federal Funds for the Department of Community and Culture, Tax Commission and the Governor's Office of Economic Development. The motion passed unanimously with Rep. Herrod absent for the vote.

Dr. Wilko explained the motion to approve all of the items on the fee schedule on pages 11-21 of the handout. Questions from the committee were discussed.

MOTION: Sen. Stevenson moved to approve all items on the fee schedule on pages 11-21 of the handout. The motion passed unanimously with Rep. Herrod absent for the vote.

MOTION: Rep. Allen moved to approve the prioritization list of reductions listed on the Economic Development and Revenue Chair Proposal, FY2011 5% Reductions, and also moved to approve a \$75,000 ongoing GF reduction for Housing and Community Development Administration, and moved that the \$75,000 authorized as an increase from the Permanent Community Impact Fund be used to offset this reduction, and proposed to reallocate the General Fund to the Olene Walker Housing Loan Fund. The motion passed unanimously with Rep. Herrod absent for the vote.

Dr. Wilko explained the Priority List, and the requests for appropriations, as well as the building blocks, as prioritized by the committee, and including some slight adjustments made by the chairs. Questions from the committee were discussed.

Rep. Allen also explained the Priority List and the recommendation to fund the first eight entities, indicating that the source of this funding would be a re-allocation, a one-time use of

USTAR's carry-over. This recommendation is not intended to show a lack of support for USTAR. The recommendation does not include an allocation of funds to the Huntsman Cancer Institute, Utah Council for Citizen Diplomacy, Tax Commission Postage, Health Exchange, Center for Education Business and the Arts, National Motor Vehicle Title System, or the Thanksgiving Point Museum of Natural Curiosity.

MOTION: Rep. Allen moved to reduced USTAR's General Fund on a one-time basis by \$3,714,000, and moved to authorize the use of non-lapsing balances to cover this reduction, and also that with the General Fund one-time to fund the following projects:

Earned Income Tax Credit	\$55,000	HCD
UBIDS/LSI	\$750,000	GOED
Utah Manufacturer's Extension Partnership	\$900,000	GOED
Tourism Marketing Performance Fund	\$900,000	GOED
Utah Sports Commission	\$650,000	GOED
Utah Small Business Development Centers	\$134,000	GOED
World Trade Center	\$250,000	GOED
Transition Funding for Folk Arts	\$75,000	DCC Adm.
	\$3,714,000	

SUBSTITUTE MOTION: Sen. Davis moved to increase amount o \$3,739,000 to fund UCCD at \$25,000, which would move the UCCD from #10 on the Priority List to #9, moving the Huntsman Cancer Institute down to #10. The substitute motion passed unanimously with Rep. Herrod absent for the vote.

Wes Curtis, Vice President for Government Relations and Regional Services at SUU and participant Business Resource Center at SUU, introduced Steve Cloward, Director, Northfront Business Resource Center. The history and overview of Business Resource Centers was given. BRC not only provides new businesses with needed resources at various stages of development, but also helps to expand existing businesses and create jobs. The resources of BRC are also available in Garfield and Kane Counties. A request for \$50,000 for salary was made.

Steve Cloward, Director, Northfront Business Resource Center, addressed the committee. MEP, Custom Fit, PETAC, LSI consulting, and the chamber of commerce have representatives available, as well as an incubator with companies in the start-up phase. Questions from the committee were discussed.

Sen. Okerlund expressed thanks to the committee and staff, for their help.

MOTION: Sen. Davis moved to adjourn. The motion passed unanimously with Rep. Herrod, Rep. Biskupski absent for the vote.

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Sen. Okerlund closed the meeting at 3:04 p.m.

Sen. Ralph Okerlund, Co-Chair

Rep. Sheryl L. Allen, Co-Chair